



New Zealand



RECEIVED Waitangi Tribunal
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Ministry of Justice WELLINGTON

New Zealand ranks 44th in this year's CCPI, making it a low performer. The country receives a *low* rating in GHG Emissions and Energy Use, a *high* in Renewable Energy, and a *very low* in Climate Policy.

New Zealand has a relatively robust policy framework in place in its Climate Change Response Act (CCRA) 2002, as amended in 2019 by the Zero Carbon Act following the Paris Agreement ratification. The framework aims to support clear and stable climate change policies, with key features including a 2050 split-gas target, net-zero greenhouse gas (GHG) emissions by 2050, and a 24–47% reduction in biogenic methane by 2050; with domestic emissions budgets for every 5 years, which are stepping stones toward meeting the 2050 target; and emissions reduction plans for every 5 years, which are required to set out the strategies and policies for meeting emissions budgets.

2050 methane target reduction shows ambition backsliding and NDC2 emissions reduction revision leaves questions

The CCRA also established the Climate Change Commission, which provides the government with independent expert advice. New Zealand has a longstanding Emissions Trading Scheme (ETS) covering all sectors of the economy except for agriculture. Since the 2019 CCRA amendment, there have been no substantial amendments to the core climate framework, despite successive changes in government. The political consensus has been a strength of the scheme, but this is being eroded by the current government, which announced in October 2025 that it will amend the 2050 target's methane component, substantially reducing from a 24–47% reduction to 14–24% by 2050 vs 2017 biogenic methane emission levels. This reduction is despite explicit advice that 14% is not aligned with 1.5°C and despite a lack of political agreement on changing the target.

New Zealand submitted its second Nationally Determined Commitment (NDC2) in January 2025. The first NDC was to reduce net GHG emissions to 50% below 2005 gross levels by 2030. NDC2 aims for 51–55% by 2035. The CCPI experts question whether NDC2 is in line with the Paris Agreement requirements, including whether it represents progress, reflects New Zealand's highest possible ambition, considers responsibility, equity and fair share, and alignment with 1.5°C. For example, Climate Change Commission advice to the government demonstrated the viability of alternative and more ambitious emissions reduction targets, instructing that domestic action alone could feasibly contribute to emissions reductions of up to 69% below 2005 gross levels by 2035 without harming economic growth.

The New Zealand ETS has an exemption for agriculture, which constitutes a large portion of the country's emissions. All sectors of New Zealand's economy, apart from agriculture, pay for their emissions via the ETS. Its emissions price applies to around half of all emissions. Initially, the CCRA provided a 'backstop' to include agricultural emissions in the ETS by 31 December 2025 unless an alternative pricing mechanism could be decided on. The government amended the CCRA to remove the backstop, instead stating there would be an alternative form of pricing for agriculture by 2030. However, on 12 October 2025, the government confirmed it would no longer pursue any pricing on agriculture emissions. Overall, there are few policies to achieve the current weak methane targets and the current government has rolled back dozens of policies that were helping to cut other GHG emissions.

Rollback of oil and gas exploration ban is troubling, and previous progress has stalled or weakened

The experts are concerned about the rollback on the ban on new offshore oil and gas field exploration, and other rollbacks regarding pro-climate measures. The current government has also announced a subsidy for developing new gas supplies: \$200 million over 4 years. And it passed the [Fast-track Approvals Act 2024](#) to streamline consent, which included, as a listed project, the expansion of a coalmine. The experts urge a phase-out of all fossil fuels, with a just transition for affected workers and communities. They say the New Zealand government is actively trying to support and expand its fossil fuel sector. The reopening of offshore oil and gas exploration has been met with strong criticism from environmental groups, Pacific leaders, and international climate activists, and undermined New Zealand's international obligations and trade agreements. The experts point out that the decrease noted in fossil fuels use is barely attributable to the government and instead reflects the declining gas reserves, as well as being recession-driven.

New Zealand derives 80–87% of its electricity from renewables. Overall, previous progress has stalled and the policy framework has been weakened. The energy supply is reliant on gas and coal power stations for periods of peak demand and when hydro lake levels are too low. The electricity market's structure means generators make large profits when hydro lakes are low, deterring investment in renewables. The deregulated electricity market is driving up prices for consumers and industries while failing to invest in renewable energy and storage.

[The Offshore Renewable Energy Bill](#) is expected to pass through Parliament at the end of 2025. It aims to create a two-stage permitting system, establish obligations for decommissioning and financial security, and manage environmental and community impacts.

The biomass share in consumer energy has been largely unchanged for several decades, though the experts note an increasing interest in scaling up the use of wood fibre to produce bioenergy. Bioenergy current accounts for ~7% of New Zealand's total energy use, with predictions of a rise to 12–14% by 2035. The experts point to how this might increase the risk for erosion due to more frequent harvesting of short-rotation forests, especially on the East Coast of the North Island of New Zealand, where impacts from forestry slash and erosion from extreme weather events can be seen.

The current government has rolled back many initiatives and incentives for decarbonising the transport sector. Compared with December 2023, speed limits have been increased, vehicle efficiency standards removed, petrol taxes are being reduced, and the feebate scheme that previously incentivised electric vehicle (EV) purchases was scrapped.

A strong international player, but are its aims realistic?

Some of the experts believe that, internationally, New Zealand has a strong reputation for its international diplomacy and often stands with Pacific states. The current government has recommitted to the Paris targets, but its climate finance commitment expires at the end of 2025 and funding has yet to be renewed. New Zealand withdrew from the [Beyond Oil and Gas Alliance](#) (BOGA) for reinstating offshore oil and gas exploration. The country is also a signatory of the [Global Methane Pledge](#), but the experts see the signature and efforts as unrealistic.

Overall, the experts say that New Zealand's climate action is backsliding. They recommend reforming the ETS so it fits its purpose – this means including agriculture, which has accounted for two-thirds of New Zealand's warming to date and represents about half of total emissions; addressing the large stockpile of surplus emissions units accumulated from past over-allocation and forestry credits, because this oversupply continues to suppress carbon prices and undermines the ETS's effectiveness in driving meaningful gross emission reductions; and not treating emissions reductions and removals equally. The experts strongly condemn reducing the 2050 target and recommend that the government follow the Climate Change Commission's advice. They also recommend reinstating the ban on offshore oil and gas exploration and rescinding the subsidy for developing new gas exploration. Additionally, they recommend restoring support for public and active transport, along with financial incentives and other support for electrification. And they recommend introducing incentives to restore indigenous forests, ecosystems, and biodiversity, and promote more diverse and ecologically sustainable agriculture to reduce intensive dairy farming's dominance.

Key Outcomes

- New Zealand ranks 44th in this year's CCPI, making it a *low* performer
- The CCPI experts are concerned about the rollback on the ban on new offshore oil and gas field exploration, and other rollbacks regarding pro-climate measures
- Key demands: reinstating the ban on offshore oil and gas exploration and rescinding the subsidy for developing new gas exploration

CCPI experts

The following national experts agreed to be mentioned as contributors for this year's CCPI:

- Dr Kayla Kingdon-Bebb ([WWF-New Zealand](#))
- Adam Currie ([350 Aotearoa](#))
- David Tong ([Oil Change International](#))
- Scott Burnett ([Royal Forest & Bird Protection Society of New Zealand](#))
- Nick Henry ([Oxfam Aotearoa](#))
- Amanda Larsson ([Greenpeace Aotearoa](#))
- [Lawyers for Climate Action NZ](#)

Key Indicators

CCPI 2026: Target comparison